

STATEMENT OF PURPOSE

RS19139

Amend Idaho Code 58-307 to allow lease terms of up to 20 years for grazing, farming, conservation, noncommercial recreation and communication site uses on state endowment trust lands, and move language dealing with lands eligible for the federal conservation reserve enhancement program (CREP), under the section addressing conservation use.

Recent reviews of current leasing policies and procedures by the State Board of Land Commissioners identified that longer term leasing would provide an incentive to lessees to invest in improvements on state land which could result in higher annual revenues to the endowments. Currently, these uses are limited to 10-year leases.

The CREP program is a federal program where landowners or their lessees receive federal payments for conservation practices on enrolled croplands under a fifteen (15) year contract. Currently, the reference to CREP in code that provides for fifteen (15) year lease terms is inappropriately located in the long-term commercial leasing section allowing terms for up to 49 years and requiring public hearings and consultation with the county. Lands enrolled in CREP meet the definition of conservation use; therefore, the leasing options for CREP would more appropriately be handled under the proposed section allowing lease terms for conservation use of up to twenty (20) years.

FISCAL NOTE

No fiscal impact. Opportunities for longer term leases may increase lessee bidding, and therefore, revenues to the beneficiaries. However, lessees investment in improvements on state endowment trust lands are highly variable across the state, so increases in income to the beneficiaries are difficult to determine.

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